

Message Text

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ACTION EUR-12

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TAGS: SENV, CA

SUBJECT: BEAUFORT SEA DRILLING EXTENSION

REF: STATE 225057

1. SUMMARY: GOC OFFICIALS ASSURE EMBASSY OF THEIR AWARENESS OF NEED FOR USG-GOC CONSULTATIONS DURING REVIEW AND EVALUATION OF BEAUFORT SEA DRILLINGS WHICH WILL FOLLOW COMPLETION OF THIS SEASON'S ACTIVITIES. ONLY AFTER THIS REVIEW/EVALUATION WILL CABINET CONSIDER AUTHORIZATION FOR ADDITIONAL DEEP DRILLINGS NEXT SEASON VIA FIVE ADDITIONAL CASINGS. GAS ENCOUNTERED AT ONE OF THIS SEASON'S DEEP DRILLINGS AT 10,000 FEET AND AUTHORIZATION FOR THIS WELL STILL VALID FOR ADDITIONAL 500 FEET NEXT YEAR. SECOND WELL AT ABOUT 3,000 FEET ENCOUNTERED WHAT ENVIRONMENTALISTS CALL "WATER BLOW-OUT" (COMPANY CALLS IT "HIGH PRESSURE WATER FLOW"). IN ANY EVENT, WELL PLUGGED AND ABANDONED AND ITS DRILLING AUTHORIZATION HAS LAPSED. END SUMMARY.

2. POLCOUNS DISCUSSED BEAUFORT SEA SITUATION SEPTEMBER 21 WITH INDIAN AND NORTHERN AFFAIRS OFFICIAL YATES. YATES POINTED OUT THAT ONLY EXISTING CABINET
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AUTHORIZATION FOR DEEP DRILLING (DOWN TO 15,000 FEET)

APPLIES TO FIRST TWO WELLS. ONE OF THESE, KOPANOAR D-14, EXPERIENCED HIGH PRESSURE WATER FLOW AT ABOUT 3,000 FEET; RELIEF WELL NOW BEING DRILLED TO PLUG IT, AND IT WILL BE ABANDONED, ITS DRILLING AUTHORIZATION THEREFORE LAPSING. THE SECOND WELL, TINGMARK K-91, ENCOUNTERED GAS AT ABOUT 10,000 FEET; REMAINING FOUR DAYS OF EXTENDED DRILLING SEASON WILL BE USED TO LOWER STEEL CASING TO LEVEL OF GAS FIND AND FOR TESTING. DRILLING AUTHORIZATION FOR TINGMARK K-91 STILL VALID AND WILL BE RESUMED NEXT DRILLING SEASON DOWN TO AUTHORIZED 15,000-FEET LEVEL.

3. YEATES SAID THAT SINKING OF ADDITIONAL FIVE CASINGS WILL BE COMMENCED SHORTLY AND WILL CONTINUE AFTER SEPTEMBER 25 CUT-OFF DATE FOR THIS SEASON'S DEEP DRILLING. HOWEVER, NEW CABINET AUTHORIZATION WOULD BE REQUIRED BEFORE DEEP DRILLING CAN BE STARTED. WHEN THIS SEASON'S WORK COMPLETED, GOC OFFICIALS WILL PROCEED TO REVIEW AND EVALUATE RESULTS AND WILL THEN RECOMMEND TO CABINET WHETHER OR NOT TO AUTHORIZE ADDITIONAL DRILLINGS. HE TOOK NOTE OF POLCOUNS COMMENT CONCERNING NEED FOR CLOSE GOC-USG CONSULTATION DURING COURSE OF REVIEW AND EVALUATION PROCESS.

4. IN SEPARATE DISCUSSION BETWEEN POLCOUNS AND EXTAFF USA DIVISION OFFICER KIRSCH, LATTER INDICATED THAT GOC IN PROCESS OF ESTABLISHING AN INTER-DEPARTMENTAL WORKING GROUP LINKED TO A POLICY GROUP. WHILE NOT SPECIFIC CONCERNING DETAILS OF HOW CONSULTATION WITH U.S. WOULD BE TIED INTO THESE GROUPS, HE GAVE ASSURANCE THAT EXTAFF FULLY CONSCIOUS OF NEED FOR SUCH CONSULTATIONS FOLLOWING EMBARRASSMENT EARLIER THIS YEAR.

5. IN PRESS REPORT, DOME CHAIRMAN GALLAGHER QUOTED AS SAYING THAT EXTENT OF GAS FIND NOT YET KNOWN BUT THAT ONCE CASING SET EVALUATION OF POTENTIAL WILL BE POSSIBLE. PETROLEUM INDUSTRY EXPERTS QUOTED AS CALLING TINGMARK GAS FIND AS "VERY SIGNIFICANT", SINCE WELL MAY HAVE ENTERED GAS CAP OF CRUDE OIL DEPOSIT.

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6. DOME OFFICIALS HAVE BEEN QUICK TO REJECT ENVIRONMENTALIST CHARGES THAT HIGH-PRESSURE WATER FLOW REPRESENTS "BLOW-OUT" WHICH REFUTES INFALLIBILITY CLAIMS OF DOME AND CANMAR. DOME SPOKESMAN SAID "BLOW-OUT" TERMINOLOGY NOT APPLICABLE SINCE IT IMPLIES COMPLETE LOSS OF CONTROL OVER A WELL. "WE ARE DEALING WITH SOME HIGH-PRESSURE WATER FLOW THAT HAS ERODED THE SURFACE CASING AND HAS MADE FURTHER DRILLING IMPRACTICAL."

DRILLING BIT WAS TAKEN TO ALMOST 4,000 FEET PAST HIGH-PRESSURE WATER OBSTACLE ENCOUNTERED AT ABOUT 2,000 FEET IN HOPE THAT FLOW WOULD SUBSIDE. "WHEN IT BECAME EVIDENT THAT HIGH PRESSURES WOULD PERSIST, WE MADE DECISION TO PLUG AND ABANDON THE WELL."

7. PRESS ALSO REPORTS DOME PLANS TO EXPERIMENT WITH WINTER DRILLING, POSSIBLE IN 1977-78, IN ORDER TO USE DRILLSHIPS YEAR ROUND. STUDY WILL BE CONDUCTED NEXT WINTER TO FIND PROBABLE LOCATIONS WITH MINIMUM ICE MOVEMENT WHERE DRILLSHIPS MIGHT CONTINUE TO DRILL WHILE PURPOSELY ICEBOUND.
ENDERS

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